

[7 August, 2001]

RAJYA SABHA

Withdrawal of powers of Director (Investigation) in Income Tax Department

1794. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE be pleased to state:

- (a) whether Government have since withdrawn the powers of the Director (Investigation) in the Income Tax Department to raid premises even if there are reports and surveys conducted with respect to the business house or the individual;
- (b) if so, the reasons therefor;
- (c) whether it is also a fact that the Director (Investigation) had this power for decades; and
- (d) whether it would be a step backward to fight corruption, decentralization and transparency in the functioning of Income Tax Department?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) The power of Director General of Income Tax (Investigation) or Director of Income Tax (Investigation) to authorize searches in appropriate cases is provided in the statute i.e. Income Tax Act, 1961. This power has not been withdrawn from the Director of Income Tax (Inv.). Instead for exercising this power, which encroaches upon the privacy of an individual or group, with circumspection and due application of mind, administrative instruction has been issued so that the concurrence of the senior-most functionary of the Investigation Wing of the Department viz. Director General of Income Tax (Inv.) is taken before authorizing searches by the Director of Income Tax (Inv.). This would facilitate search action being used as a more effective tool for curbing tax evasion without causing undue harassment to the taxpayers.

Drug Trade

1795. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

- (a) whether Government's attention has been drawn to the news-item captioned "Drug Trade Exploding Warn Experts" which appeared in the Times of India dated 16th February, 2001;